

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:760
ANSWERED ON:17.05.2002
FERA VIOLATION BY INDIAN EXPORTERS
RAM SHAKAL

Will the Minister of FINANCE be pleased to state:

- (a) whether there is a large scale outflow of foreign exchange and FERA violations due to insertion of advertisements by Indian exporters in foreign T.V. channels;
- (b) if so, the number of FERA violation cases registered against these exporters;
- (c) whether the Government propose to formulate a comprehensive policy regarding insertion of advertisements in foreign T.V. channels by the Indian exporters; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) & (b) The Enforcement Directorate has conducted investigations into the allegations of violation of provision of Foreign Exchange Regulation Act (FERA), 1973 by the Indian Agents of some of the Foreign T.V.Channels and certain Export Houses in respect of telecast of advertisement and remittance of advertisement charges. Show cause notices have been issued to such agents and exporters in 123 cases of violation of provisions of FERA. Action in accordance with provisions of FERA read with Exchange Control Manual of RBI have been initiated against them.

(c) & (d) Remittances on account of advertisements on foreign TV channels by a person resident in India can be allowed by authorised dealers in foreign exchange in terms of item 13 of Schedule III of the Foreign Exchange Management (Current Account Transactions) Rules, 2000. Also remittances on account of advertisements on foreign TV channels made out of Exchange Earner's Foreign Currency (EEFC)/ Resident Foreign Currency (RFC) Accounts can be permitted by the Authorised Dealers. Only in respect of a person whose export earnings are less than Rs.10 lakh during each of the preceding two years, prior permission of Reserve Bank of India is required for the remittance.